



Oregon

Kate Brown, Governor

Department of Human Services

Office of the Director

500 Summer St. NE, E-15

Salem, OR 97301

Voice: 503-945-5600

Fax: 503-581-6198

TTY: 503-945-5896

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The Honorable Senator Devlin, Co-Chair
The Honorable Representative Buckley, Co-Chair
Joint Legislative Committee on Ways and Means
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048

Re: Oregon Project Independence Pilot for People with Disabilities

Dear Co-Chairs:

Nature of the Report

The purpose of this report is to provide an update on the Department's implementation of the Oregon Project Independence (OPI) Pilot for Adults with Disabilities contained in the Special Purpose Appropriation for Seniors. HB5201 contained the following budget note:

The Department of Human Services shall develop a pilot project to expand Oregon Project Independence services to people with disabilities effective July 1, 2014. To meet this timeline, the Department will need to make emergency rules; that rulemaking will incorporate the feedback of appropriate stakeholders and advocates. Appropriate parties include, but are not limited to, the Oregon Association of Area Agencies on Aging and the Disability Services Advisory Councils. The pilot shall cover a regionally diverse area of Oregon, including both rural and metropolitan areas. The Department shall report on the pilot project plan, which should cover structure, outreach, evaluation, and budget components, and request release of SPA funds at the May 2014 meeting of the Emergency Board.

The Department of Human Services will study and report back to the appropriate 2015 legislative committees on the potential to transition Oregon Project Independence to a statewide, age neutral program that assesses and serves seniors and persons with physical disabilities based on need. This report will include cost projections for the expansion of services, projected caseloads and demographic distribution.

Agency Action

First, the Department established an advisory council consisting of representatives from:

- Oregon Law Center
- Association of Oregon Centers for Independent Living
- Oregon Disabilities Commission
- A local Disability Services Advisory Council
- Oregon Association of Area Agencies on Aging and Disabilities
- State Unit on Aging
- Home Care Commission
- Governor's Commission on Senior Services

The Department discussed several options for implementation. Ultimately, the Department elected to contract with Northwest Senior and Disability Services (NWSDS), the Area Agency on Aging & Disabilities serving Marion, Polk, Yamhill, Clatsop and Tillamook counties, to administer the pilot.

Additionally, the Department engaged in the emergency rulemaking process for the pilot and then went on to finalize the rule, which became effective December 28, 2014. The permanent rule has a sunset, at the end of the pilot, on June 30, 2015.

The opportunity to participate in the pilot was open to all of Oregon's Area Agencies on Aging (AAAs). Interested AAAs applied to the Department to participate in administering the pilot and ultimately seven AAAs were selected:

- Community Action Program East Central Oregon
- Washington County Department of Disability, Aging and Veterans Services
- Multnomah County Aging and Disability Services
- Rogue Valley Council of Governments
- Lane Council of Governments
- Oregon Cascades West Council of Governments
- Northwest Senior and Disability Services (Salem)

Subsequently, NWSDS, as the lead entity, provided funding to each of the selected AAAs to administer the pilot program.

Currently, eligible individuals are being served in the following counties by the aforementioned AAAs: Benton, Clatsop, Jackson, Josephine, Lane, Linn, Lincoln, Marion (Salem only), Morrow, Multnomah, Polk, Umatilla and Washington.

The first individual was served in late July 2014. To date, 287 individuals have been served, with a goal to serve over 450 by the end of the biennium. Individuals participating in the pilot are receiving help with mobility, housekeeping, meal preparation, shopping, bathing, ambulation, home-delivered meals, laundry and transportation.

Of the consumers served through the OPI pilot, we have found that:

- 73% are between the ages of 50 and 59;
- 70% live in cities designated as urban (population 50,000+)
- 80% have income from Social Security Disability;
- 77% live on a monthly income of less than \$1,500;
- 78% report having liquid assets of less than \$10,000 (\$15,000 for a couple)
- 80% have health insurance coverage through Medicare;
- 75% live alone;
- 73% score moderate to high risk for an out of home placement;
- 50% are assessed at a Service Priority Level of 13 or less (score for level of dependency in activities of daily living), the same functional eligibility criteria for Medicaid in-home services;
- 30% report having a fall with injury in the past 6 months.
- 30% report their family and friends who provide support are overwhelmed or stressed.

The monthly costs for OPI Pilot consumers look similar to that of the older adults served by the traditional OPI program. Monthly direct service costs amount to approximately \$350 per month, while fully-loaded costs are averaging just under \$500 per month.

In FY 2014, 9,652 individuals over the age of 60 received in-home services through Medicaid as compared to 5,495 adults under the age of 60, or half the number as the older population. If this ratio held true for the OPI program, an age-neutral program could eventually serve about 1,500 individuals based on current funding levels. However, with the expansion of Medicaid through the Affordable Care Act, a cohort of individuals that would have sought services from an age-neutral OPI program, now have service options through Medicaid and are not eligible for OPI.

Conclusion and Recommendation

ORS 410.435(2) prohibits the Department from adopting administrative rules making Oregon Project Independence age-neutral unless the Department finds funding “*is sufficient to fund the expansion of the program to persons with physical disabilities.*”

The Department believes that a biennial appropriation of at least \$27.5M will suffice to meet the criteria listed in ORS 410.435. This amount assumes that:

- approximately \$21.5M will be utilized by individuals aged 60 and older and;
- approximately \$6M will be utilized by individuals aged 19-59.

The use of the term “sufficient funding” does not guarantee access to immediate services. Historically, OPI has operated wait-lists based upon available levels of funding and demands for services. Wait-lists have either been eliminated or decreased significantly with the additional Legislative funding in the 2013-2015 biennium. Wait-lists may continue to exist as local differences challenge available program resources with demands for services. We are not proposing the absence of all wait lists to be a consideration in transitioning Oregon Project Independence to an age-neutral program.

In the event there was sufficient legislative funding in the 2015-2017 biennium, the Department recommends proceeding with a deliberate and orderly plan to transition Oregon Project Independence to an age-neutral program under ORS 410.435. The Department would engage stakeholders on the details of that transition. Some of the more challenging issues to resolve include:

- Whether to establish a “global” Oregon Project Independence budget.
- Whether to establish separate funding levels for seniors and people with disabilities.
- How quickly to transition the program to age-neutral.
- The capacity for all local Area Agencies on Aging to transition Oregon Project Independence to age-neutral.

The Department is willing and able to brief the Legislature on details of the implementation, if requested.

Action Requested

The Department of Human Services requests that the Joint Committee on Ways and Means acknowledge receipt of this report.

Legislation Affected

None.

If you have any questions or concerns please contact Ashley Carson-Cottingham at (503) 947-1100 or email ashley.b.carson-cottingham@dhsola.state.or.us.

Sincerely,



Eric L. Moore
DHS Chief Financial Officer

cc: Sean Kolmer, Governor's Office
Ken Rocco, Legislative Fiscal Office
Laurie Byerly, Legislative Fiscal Office
George Naughton, Department of Administrative Services
Tamara Brickman, Department of Administrative Services
Art Ayre, Department of Administrative Services